

## Message Text

UNCLASSIFIED

PAGE 01 ROME 09868 171926Z

64

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 FEA-02 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 EB-11 FRB-03 H-03 INR-11 INT-08 L-03

LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20 CIEP-02

SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SP-03

OMB-01 SWF-02 DRC-01 /196 W  
----- 022186

R 171550Z JUL 74

FM AMEMBASSY ROME

TO SECSTATE WASHDC 5983

INFO US MISSION EC BRUSSELS 5326

US MISSION GENEVA 2331

UNCLAS ROME 9868

E.O. 11652 N/A

TAGS: EFIN, ETRD, EEC, GATT, IT

SUBJ: ITALY'S IMPORT DEPOSIT - FOREIGN TRADE MINISTER MATTEOTTI  
COMMENTS

REF: A) ROME 8097; B) ROME 9261

1. AT THE CONCLUSION OF A CONFERENCE ON FOREIGN TRADE ON JULY 16, FOREIGN TRADE MINISTER MATTEOTTI EMPHASIZED THAT THE 50 PERCENT PRIOR IMPORT DEPOSIT MUST REMAIN IN EFFECT AS LONG AS THE ITALIAN BALANCE OF PAYMENTS DEFICIT IS RUNNING AT OVER \$1 BILLION PER MONTH AND UNTIL THE CONTINUED HEAVY FLOW OF IMPORTS IS SLOWED -- MATTEOTTI QUOTED FIGURES SHOWING THAT THE IMPORT DEPOSITS HAD IN MAY AND JUNE AMOUNTED TO \$1 BILLION.

2. CONSEQUENTLY THE FOREIGN TRADE MINISTRY HAS TURNED DOWN ALL 720 REQUESTS (INVOLVING \$8.5 BILLION IN ANNUAL IMPORTS) FOR REMOVAL OF CAPITAL GOODS AND SEMI-MANUFACTURES FROM THE LIST OF PRODUCTS AFFECTED BY THE DEPOSIT. MATTEOTTI WENT ON TO SAY THAT THE GOI HAD ALSO "REJECTED EC PRESSURES" FOR EXEMPTIONS FOR  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ROME 09868 171926Z

IMPORTS AMOUNTING TO \$1.7 BILLION.

3. MATTEOTTI CONCLUDED BY CALLING FOR MORE MONEY FOR EXPORT FINANCING AND BY MAKING THE NOW STANDARD COMMENT THAT GOI MEASURES WILL BE USELESS UNLESS THERE IS AN IMPROVEMENT IN WORKER PRODUCTIVITY (IN THIS REGARD MATTEOTTI CITED A STUDY BY CITYBANK OF NEW YORK THAT SHOWED ITALIAN LABOR COSTS WERE 5 PERCENT HIGHER THAN THOSE IN UK, 10 PERCENT HIGHER THAN IN THE USA, 20 PERCENT HIGHER THAN IN GERMANY AND 35 PERCENT HIGHER THAN IN FRANCE).

4. COMMENT - WHAT IS NOTEWORTHY HERE IS THAT AT LEAST PUBLICLY MATTEOTTI HAS ACCEPTED THE COLOMBO-CARLI POSITION ON THE IMPORT DEPOSIT SCHEME. MATTEOTTI HAD INITIALLY COMPLAINED OPENLY (REF A) THAT THE IMPORT MEASURES SHOULD BE LIBERALIZED TO EXCLUDE CERTAIN CAPITAL GOODS AND SEMI-MANUFACTURES NEEDED PARTICULARLY BY ITALY'S EXPORT INDUSTRY AND TIGHTENED FOR CONSUMER GOODS. WE CANNOT AT THIS POINT EXPLAIN THE DIVERGENCE BETWEEN IMPORT DEPOSIT TOTAL OF \$1 BILLION AND HIGHER FIGURE GIVEN IN REF B.VOLPE

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BALANCE OF PAYMENTS POLICIES, IMPORT CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 JUL 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974ROME09868  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740192-0851  
**From:** ROME  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740741/aaaabjam.tel  
**Line Count:** 80  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** A) ROME 8097; B) ROME 9261  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** izenbei0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 02 OCT 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <02 OCT 2002 by ThomasVJ>; APPROVED <17 JAN 2003 by izenbei0>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ITALY'S IMPORT DEPOSIT - FOREIGN TRADE MINISTER MATTEOTTI COMMENTS  
**TAGS:** EFIN, ETRD, IT, EEC, GATT, (MATTEOTTI, MATTEO)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005